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January 21, 2015



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TO:

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FROM:

Cynthia A. Harding, M.P.H. Gullag A Heardl Interim Director

SUBJECT:

DRUG MEDI-CAL ORGANIZED DELIVERY SYSTEM WAIVER

AMENDMENT AND COUNTY IMPLEMENTATION PLAN

This is to inform you that the Department of Public Health Substance Abuse Prevention and Control Division (SAPC) submitted a non-binding Expression of Interest on December 18, 2014, in response to the California Department of Health Care Services' (DHCS) solicitation of letters of interest from counties to participate in its Drug Medi-Cal Organized Delivery System Waiver Amendment. In preparation for the implementation of the waiver amendment, DHCS requested that counties submit an Expression of Interest. The State required that large counties, including Los Angeles, if interested, participate in the first of four phases of implementation of the demonstration waiver that will begin immediately after DHCS obtains federal approval.

Drug Medi-Cal Organized Delivery System Waiver Amendment

On November 21, 2014, the Department of Health Care Services (DHCS) submitted an amendment to the 1115 Bridge to Reform demonstration waiver entitled the Drug Medi-Cal Organized Delivery System (DMC-ODS). DHCS requested that the Centers for Medicare and Medicaid Services approve the amendment by April 1, 2015 or sooner.

The DMC-ODS waiver amendment provides a continuum of care for substance use disorder (SUD) treatment services, modeled after the American Society of Addiction Medicine (ASAM) Criteria. The waiver amendment will make improvements to the DMC service delivery system, extend the DMC residential service benefit, and demonstrate how SUD services decrease other health care costs.

SAPC is developing an implementation plan for Los Angeles County for participation in the demonstration waiver and will obtain stakeholder input throughout the process. SAPC also intends to acquire external expert consultation to assist in assessing financial risks involved in participating Each Health Deputy January 21, 2015 Page 2

in the waiver amendment. We anticipate completing the plan by Spring 2015 and will seek appropriate County approval before submitting an application.

If you have any questions or need additional information, please let me know.

CAH:tmd 15-31120

c: Interim Chief Executive Officer

County Counsel

Acting Executive Officer, Board of Supervisors

Auditor-Controller Health Services Mental Health